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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE V.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT Is r	nade Ibls 25	day of	uly	, 2008, by and between	
Eric Hayden,	a Single	person			
whose addresss is 3809	Pueblo Tr	. Fort	Worth TX,	76 135 as	Lessor,
hereinabove named as Lessee, but al	il alher provisions (including	the completten of bi	ank spaces) were prepared l	All printed portions of this lease were prepared by only by Lessor and Lessee.	
1. In consideration of a cash described land, hereinafter called least		ie covenants herein	contained, Lessor hereby	grants, leagos and lets exclusively to Leasee the	tollowing
8.176 ACRES OF LAND	D, MORE OR LESS, I	BEING LOT(S)	28	, BLOCK 12	
OUT OF THE R	van Sout	1005+		ADDITION, AN ADDITION TO THE CI	TY OF
NVOLUME 388	PAGE	ARRANT COUN 7	ITY, TEXAS, ACCOR OF THE PLAT RECO	DING TO THAT CERTAIN PLAT RECC RDS OF TARRANT COUNTY, TEXAS.	RDED
		71.			·
in the County of <u>Tairtant</u> , State of reversion, prescription or otherwise),	. TOL THE DUBUGUE OF CARRELL	TO TOT, LICYGIOURIU, E	producing and marketing of	any interesis therein which Lessor may hereafter ac and gas, along with all hydrocarbon and non hydi	rocarbon
substances produced in association commercial gases, as well as hydroc	i therewith (including geop carbon gases, in addition to	hysical/seismic oper o the above-describe	rations). The term "gas" a ed leased premises, this loar	s used herein includes hellum, carbon dioxide a se also covers accretions and any small strips or p	ind other parcels of
land now or hereafter owned by Less Lessor agrees to execute at Lessoe's	sor which are contiguous or a request any additional or si	adjacent to the abo appiemental instrume	ve-described leased premise ants for a more complete or :	es, and, in consideration of the aforementioned cas accurate description of the land so covered. For the	in bonus,
			_	beemed correct, whether actually more or less.	
otherwise maintained in effect pursua	er substances covered here int to the provisions hereof.	by are produced in p	paying quantilies from the lea	years from the date hereonsed premises or from lands pooled therewith or this	s loaso is
separated at Lessee's separator fact	lilles, the revally shall be	Twenty -1	Ne (as	Lessor as follows: (a) For oll and other liquid hydro 6) of such production, to be delivered at Lessee's	aption to
the wellhead market price then previ	alling in the same field (or	If there is no such p	rice then prevailing in the s	hall have the continuing right to purchase such produces field, then in the nearest field in which there is all others asked speed to solve the solve to the solv	ls such a
Iwenty - Pive	(& 5 _%) of the	proceeds realized I	by Lessee from the sale th	ill other substances covered hereby, the royally ereof, less a proportionate part of ad vatorem ta wise marketing such gas or other substances, prov	axes and
Lessee shall have the continuing righ	il lo purchase such producti	on at the prevailing	wellhead market price paid fo	or production of similar quality in the same field (or) pursuant to comparable purchase contracts entere	If there is
the same or nearest preceding date :	as the date on which Lesse	e commendes Its pui	rchases hereunder; and (c) li	i at the end of the primary term or any time thereaft ubstances covered hereby in paying quantities or st	ег опе ог
are waiting on hydrautic fracture athms	ulallon, but such well or wel	s are either shut-in d	or production there from is no	it being sold by Lessee, such well or wells shall nevi onsecutive days such well or wells are shut-in or pr	ertheless
there from is not being sold by Less	ee, then Lessee shall pay	shut-in royally of on	e dollar per acre then cover	ed by this lease, such payment to be made to Los or before each anniversary of the end of said 90-da	ssor or to
while the well or wells are shut-in or p is being sold by Lessee from anothe	production there from is not g,well or wells on the lease	being sold by Lesse d premises or lands	e; provided that if this lease pooled therewith, no shut-in	is otherwise being maintained by operations, or if puroyalty shall be due until the end of the 90-day pe	roduction riod next
terminate this lease,				r Lessee liable for the amount due, but shall not o	
he Lessor's depository agent for rece	lving payments regardless of	of changes in the ow	nership of said land, All payn	at lessor's address above—or its successors, when the content of t	eck or by
address known to Lessee shall const	litute proper payment. If the	depository should t	lquidate or be succeeded by	lope addressed to the depository or to the Lessor a another institution, or for any reason fall or refuse i	lo accept
Except as provided for in Pa	aragraph 3. above, if Lessoc	drills a well which I	s Incapable of producing in t	nother institution as depositury agent to receive paying quantities (hereinafter called "dry hole") on th	ne leased
pursuant to the provisions of Parag	raph 6 or the action of an	y governmental aut	hority, then in the event thi	es from any cause, including a revision of unit be a lease is not otherwise being maintained in forc Illonal well or for otherwise obtaining or restoring pr	e il shali
on the leased premises or lands pool	led therewith within 90 days	after completion of	operations on such dry hole	or within 90 days after such cospalling of all product Lessee is then engaged in drilling, reworking or a	llon. If at
operations reasonably calculated to d	obtain or restore production	lherefrom. Ihla lease	shall remain in force so long) as any one or more of such operations are prosect for other substances covered hereby, as long ther	uled will:
there is production in paying quantition in the paying quantities the same in the paying quantities the same in the paying quantities the paying the paying quantities the paying the payin	es from the leased premise is on the leased premises or	s or lands pooled the lands pooled therev	erewith. After completion of with as a reasonably prudent	a well capable of producing in paying quantities he operator would drill under the same or similar circur	ereunder, mstances
to (a) develop the leased premises a	as to formations then capal	ile of producing in p	aving quantities on the leas	ed premises or lands pooled therewith, or (b) to pr There shall be no covenant to drill exploratory wel	rolect the
additional wells except as expressiy r	provided herein. That not the obligation to no	ol all or any pert of	the leased premises or inter	est therein with any other lands or interests, as to a	any or all
proper to do so in order to prudently	develop or operate the leas	ed premises, whether	er or not similar pooling autho	ent of production, whenever Lessee deams it necessarily exists with respect to such other lands or interest the such others.	ests. The
hortzonial completion shall not excee	el 640 acres plus a maximitu	n acreage tolerance	of 10%; provided that a larg	maximum acreage tolerance of 10%, and for a gas or unit may be formed for an oil well or gas well or be pental authority having jurisdiction to do so. For the	norizoniai
of the foregoing the terms "oil well"	and "gas well" shall have It	e meanings prescrit	ned by applicable law or the	appropriate governmental authority, or, if no definition of the second o	llon is so
feet or more per barrel trased on :	24-hour production test co.	nducted under norm	val production conditions usl	ng standard lease separator facilities or equivaler gross completion interval in facilities or equivaler	nt testing
equipment; and the term "horizontal	completion" means an oil v s pooling rights beceunder	vell in which the hor Lessee shall file of r	izontal component of the gr record a written declaration	oss completion interval in the reservoir exceeds th describing the unit and stating the effective date of	ie verticai I pooling.
Production, drilling or reworking operations on the leased a	erations anywhere on a uni	t which includes all oduction on which L	or any part of the leased p essor's royalty is calculated	remises shall be treated as it it were production, on the shall be that proportion of the total unit production is	onling or which the
net acreage coverett by this lease a Lessee. Pooling in one or more inst	ind Included in the tinft bea ances shall not exhaust I es	rs to the total gross isae's pooling digits	acreage in the unit, but onli- bereunder, and Lessee sha	y to the extent such proportion or tinit production it I have the recurring right but not the obligation to re	evise any
unit formed hereunder by expansion	ı or contraction or both, elli romental authority baying it	per before or after c	ommencement of production form to any productive acres	i, in order lo conform to the well spacing or densit oe determination made by such governmental auti	ny pauem hority, In
making such a revision, Lessee shat	I file of record a written dec	laration describing the of such tevision. If	ne revised unit and stating the on proportion of unit producti	e effective date of revision. To the extant any pont on on which royaliles are payable hereunder shall t	therpafter
he adjusted accordingly. In the abse a written declaration describing the u	ance of production in paying	quantities from a un	II, or upon permanent cessa	ion thereof, Lessee may terminate the tink by hing	of tecold

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in

The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the 8. The Interest of either Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area andor by depin or zone, and one rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the Interest which each owns. If Lessee transferrs its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter. arising with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lesse, the obligation to

pay or tender shut-in royallies hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be refleved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

In accordance with the net acreage Interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessee will be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent and Lessee shall boy its operations to buildings and other improvements premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures,

now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not be flabte for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice

purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim Inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without Interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

15. Notwithstanding anything contained to the contrary in this fease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original, DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lesse is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the heirs, devisees, executors, administrators, successors and assigns, whell		oove, but upon execution shalt be binding on the signatory and the signatory's as been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)		
By: Eric Hayden	 I	Зу:
STATE OF COUNTY OF TAIKANT This instrument was acknowledged before me on the by: MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011	ACKNOWLEDGN day of E PECSUR	Notary's commission expires:
STATE OF COUNTY OF This instrument was acknowledged before me on the by:	day of	, 2008,
		Notary Public State of



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

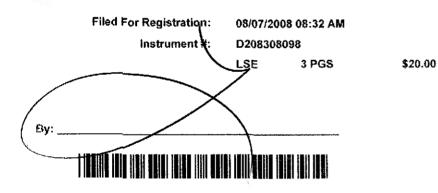
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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